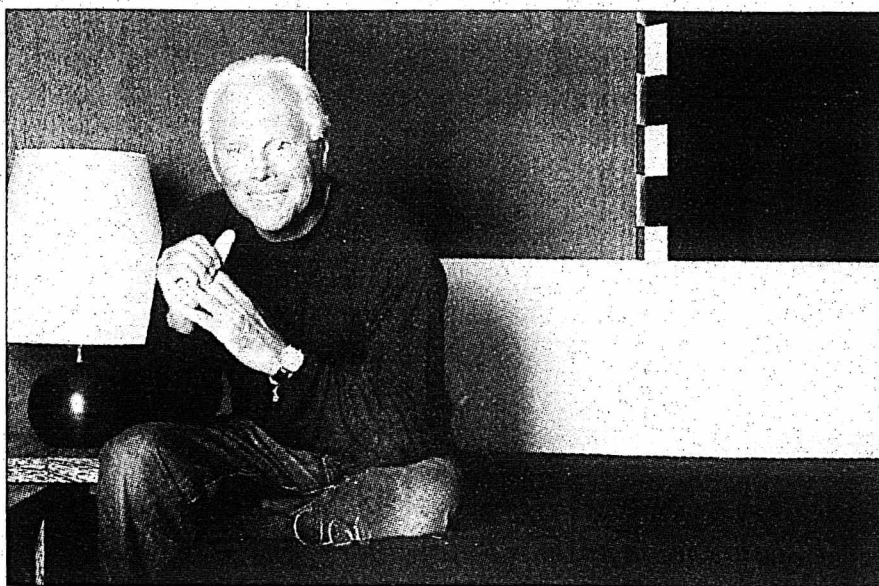


Are hotels the new handbags?

Italy's designers are pioneering a novel way of expanding the brand



Francesco Trapani, CEO of Bulgari Group, will open hotels with the Marriott Group.



Giorgio Armani may parlay his Armani Casa homewares into a hotel business.

By Suzy Menkes

With the dappled waters of the River Arno reflected on eau-de-nil walls, the Lungarno suite offers a soothing vision of Florence.

Nothing — especially not the name — tells you who is behind the warm wood and cool metal of the apartment hotel. The only clue is the fine leather handles on the closet doors. For this is one of four Florentine hotels owned and run by the Ferragamo family.

It seems a long stride from classy leather shoes to high-class hotels, but it is a step that an increasing number of Italian luxury companies are taking. Versace has already opened its ritzy Palazzo Versace on Australia's Gold Coast.

Giorgio Armani is talking up hotels in Sardinia and the designer says that creating Armani Casa homewares has inspired him to think of the hotel business.

Could hotels be the new designer handbags: the most original and effective way to grow a luxury brand since status-symbol accessories took off a decade ago?

Last month Francesco Trapani, CEO of Roman jewellers Bulgari, announced a joint venture with the Marriott International Luxury Group to create Bulgari Hotels & Resorts. The hotel company will do the management, while Bulgari does the interiors, from designer drapes through porcelain, silverware, towels and soap to the choice of cuisine.

And this is no distant dream. The first Bulgari hotel will open before Christmas 2003 a stone's throw from Milan's Via Montenapoleone, in a building with a lush 4,000-square-meter (43,000-square-foot) garden. Trapani is also closing in on sites in London and Paris

just with the usual stores, but with something different from our competitors."

Here's the logic: After Bulgari had parlayed its core high jewelry business into watches, accessories, eyewear and fragrances, it was looking to expand, but not in clothing, says Trapani, who took four years to find the right hotel management partnership with a joint investment of \$140 million.

September's terrorist attacks devastated the hotel business, but in the long term, Bulgari's initiative could prove to be a stroke of genius. Style-conscious folk already gravitate toward "boutique" hotels, where service may be slack but the place looks great.

For Leonardo Ferragamo, the hotel business is all about detail, from the choice of staff or Wenge wood table to the smell of the bath oil. "The hotel business is a certain example of retailing — only you are selling the memory of a wonderful experience," says Ferragamo, president of Lungarno Hotels Spa and a director of Salvatore Ferragamo.

In 1995, the company transformed the Lungarno on the Arno, bathing it in sleek but warm modernism. Then it opened the Gallery Hotel Art, on the opposite bank of the river, pitched at a younger, hipper clientele and with a Japanese décor and cuisine. Near it are the Lungarno Suites and a fourth venture, the old Hotel Continental, which is currently under restoration.

"We try to maintain the idea that each of the hotels has its own personality — not a stereotyped style," says Ferragamo.

But why not put the famous family name up on the facade?

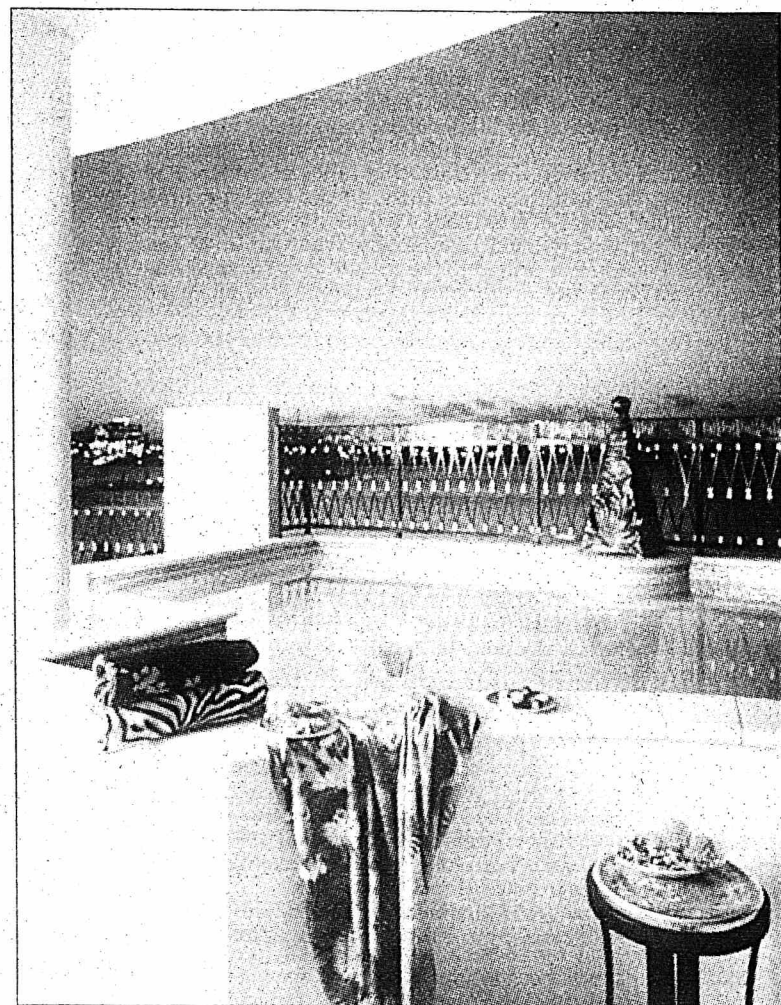
"We wanted to keep things separate — to make the substance what we delivered — not to take advantage of the brand name," says Ferragamo. "And at the beginning, we didn't know if we would be capable or not."

Donatella and Santo Versace had no such inhibitions. Palazzo Versace is their dream Hollywood-does-the-Renaissance palace, south of Brisbane, brought to fruition by Soheil Abedian of the Sunland Group. It opened in September 2000 and from the palm-fringed lagoon of a pool, through multicolored mosaics, marble pillars and crystal chandeliers, it is very Versace. And this six-star hotel is just the first jewel in a chain of prime luxury locations to be established over the next decade around the world.

"We are extremely pleased with the results of Palazzo Versace — and we are continuing to explore other hotel options," says Santo Versace. "A branded Versace hotel is unique, providing that it has the right demographic balance and location, like the Australian Gold Coast has turned out to be."

There is a history of fashion designers and hotels: Sonia Rykiel brought dark glamour to the Paris Crillon; Karl Lagerfeld decorated the Schloss Hotel in Berlin; in Wales, Sir Bernard Ashley, husband of the late Laura Ashley, turned an Edwardian country house into the Llangoed Hall hotel in 1990.

Italian designers are the most hotel-conscious. Laura Biagiotti, who celebrates her 30 years in fashion at Saturday's show, opened 12 years ago the Marco Simone Golf Club, outside Rome, with its hotel serving the biggest golf course in Europe with 36 holes over 150 hectares (370 acres).



The Palazzo Versace on Australia's Gold Coast has poolside glamour and extravagant decoration for a Renaissance-meets-Hollywood look.



Alberta Ferretti and her brother Massimo opened the Palazzo Viviani in the restored Montegrifoglio village, near Rimini, where the focus is on artisanal crafts and music, while the accommodation, set in gardens, is designed as an oasis of luxury.

Mariuccia Mandelli and Aldo Pinto of Krizia went further afield, founding their K Club resort 15 years ago on the Caribbean island of Barbuda. Pinto relates how after 12 visits starting 25 years ago, they were offered a modest hotel "at a price so ridiculous it was less than a middle-priced apartment in Milan."

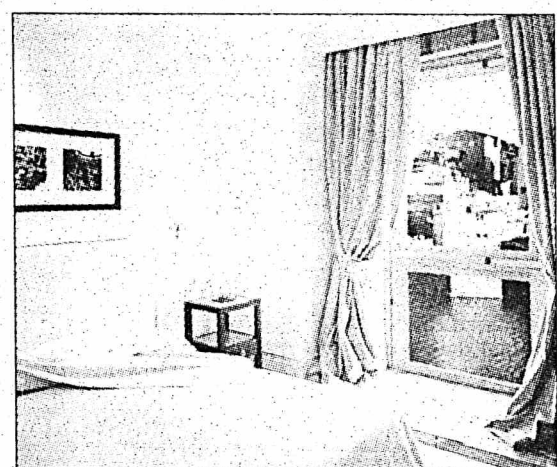
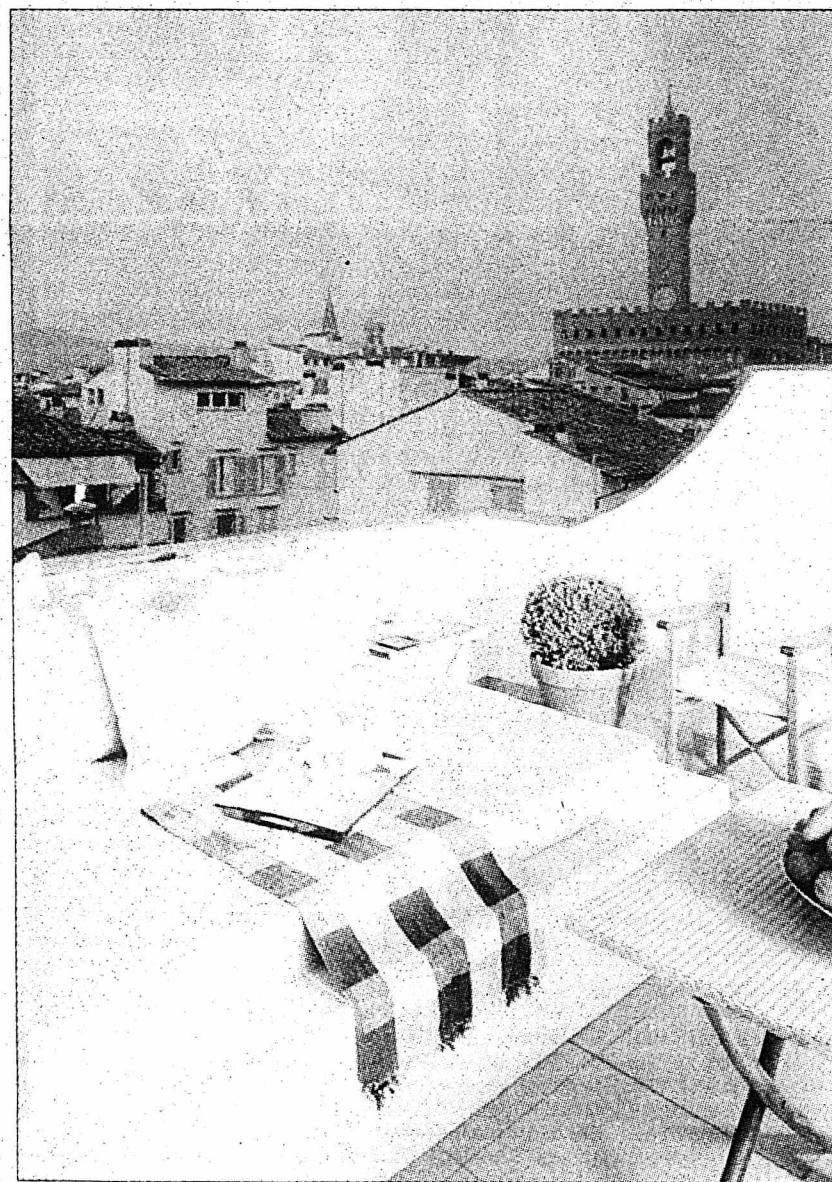
In 1987, they decided to create the resort, with its white bungalows in a luxuriant park, which Diana, Princess of Wales, subsequently used four times as a hideaway.

"We had never done a hotel before in our lives," says Pinto, who is not planning to expand the experience, even though the K Club has an "exceptional" rate of returning guests, including the Aga Khan.

Pinto is dismissive of Bulgari's new joint venture. "I think it's nuts!" he says. "Marriott is not a name that says luxury. I don't understand it. Maybe they are planning to put in soaps and perfumes."

Indeed, for one of the attractions of the hotel business is luxury product placement. With a designer name over the door, a hotel is obliged to purchase not only the bathroom accessories, but bed linen, tablecloths, china, maybe even furniture. If these products are licensed, the designer still gets the royalty. The shop naturally offers clients the opportunity to buy into the dream, making the designer hotel a sweet way of promoting, expanding and selling a luxury brand.

Suzy Menkes is the fashion editor of the International Herald Tribune.



In Florence, Ferragamo's Lungarno Hotels group gave a modern oriental feel to the Gallery Hotel Art. At left, a view over the Arno from the Lungarno Suites apartment hotel.

and envisages Miami, New York and Tokyo within seven years.

And the Bulgari name will be up there for all to see.

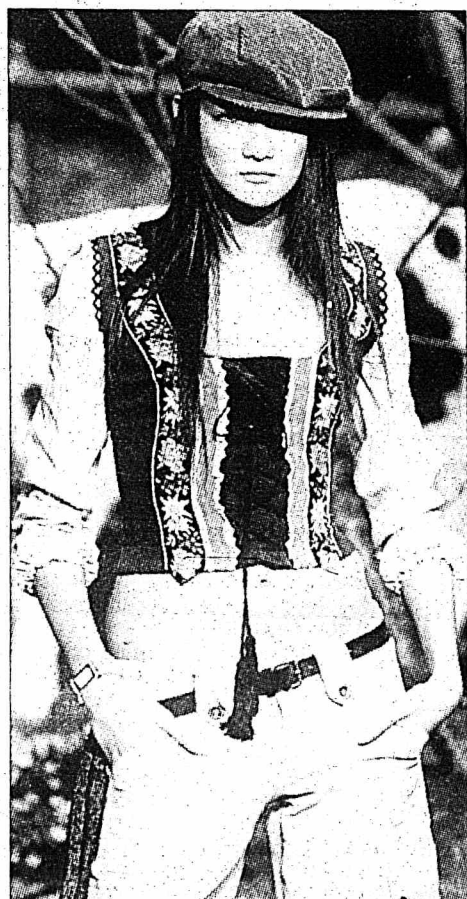
"We wanted to do something a bit lateral and original," says Trapani. "To increase profits and be a leader in the luxury business, you need to be really creative. Hotels offer a good return on investment and they are an interesting PR machine. In a specific market, we will have a different visibility, not

The Collections | Milan Cash Cows

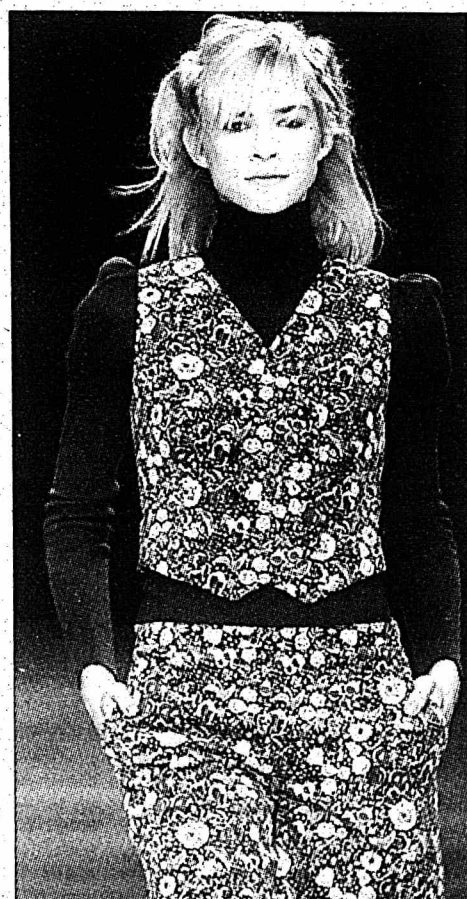
The big brown (polystyrene) cow in a cluster of gentians at the Heidi-goes-hip show from D&G was symbolic. This second-tier line from Dolce & Gabbana, like Moschino's classy and commercial Cheap 'n Chic line, are the cash cows of Milan fashion. D&G was a winner. The mood for the autumn/winter 2002 season was Alpine. The clothes: sexy Swiss Miss in white milkmaid blouse, laced vest or flower-appliqued dirndl — each folkloric piece made sexy and modern, with low-slung jeans or cargo pants. Knitwear — chunky and scattered with embroidered flowers — was stellar. And the model family (cool dads with shy kids in a reprise of January's menswear) was cute rather than kitsch.

For Moschino, the recipe was a dollop of Chanel in the 1930s, a well-measured dose of the 1980s (culottes, puff sleeves and granny florals) and a spoonful of sugar in sweet pink colors from rosette trims to the models' cheeks. Hit looks in this fresh show were mid-calf skirts with cropped vests and dresses over narrow pants.

Anna Molinari's prairie fairies wore long, light vintage-look skirts in exquisite shades from powder pink to aqua. They looked good paired with coats, belted empire high, and wrapped knits. More strong knitwear came from Alessandro Dell'Acqua who mixed shaggy wool cardigans with chiffon and ribbed knit hose with satin panties. The show was cool — but will a comeback of 1980s leggings and track pants tied with satin ribbons catch on?



D & G



Moschino Cheap 'n Chic



Anna Molinari



Alessandro Dell'Acqua